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Billy Denies Stories of Arms Deal

Reports on Libya Ties 'Ridiculous,' He Says

AMERICUS, Ga. (AP) — Billy Carter, saying reports of his alleged dealings with Libya have reached "ridiculous proportions," denied yesterday that he discussed supplying machine guns to the North African nation or securing the delivery of two aircraft from the United States.

With a Senate subcommittee scheduled to begin hearings today on the propriety of Billy Carter's ties with Libya, reporters asked the president's brother about several published reports on those dealings.

He denied one report, published yesterday in The Washington Star, quoting sources close to the congressional investigation as saying the president's brother had told the Libyans in 1978 that the U.S. government would permit the export of two Boeing 727 aircraft.

The planes later were released for shipment to the Libyans, but investigators were told by the officials responsible that Billy Carter had nothing to do with that decision.

Talking with reporters at an Americus motel, Billy Carter denied ever discussing the 727 deal with the Libyans.

"I told the Justice Department it was untrue," the president's brother said, adding facetiously, "It was nuclear submarines we talked about. They're real good for desert warfare."

Billy Carter also disputed published reports that he acknowledged to federal investigators — but later denied — discussing with former CIA agent Francis Terpil a deal to sell machine guns to the Libyans.

Billy Carter acknowledged meeting Terpil in a crowded grandstand during a parade in Tripoli in 1979. But he denied discussing arms shipments with him, adding that he didn't even know who the man was until he was shown a photograph of him later by the Justice Department.

"This whole thing is getting so ridiculous that I don't want to comment on it," Billy Carter said, laughing at the latest in a series of accusations published since the onset of the investigation.

Billy also turned aside an accusation by an associate, Jack McGregor, in a New York Times article that a proposed deal to provide additional Libyan oil allotments to Charter Oil Co. of Jacksonville, Fla., was first suggested by a Libyan political officer named Ahmed Shahati.

The article suggested that the arrangement was proposed to repay Carter for any future assistance he might provide the Libyans.

"Jack McGregor was not in Libya with me and knows nothing about my discussions with Mr. Shahati. That's not true," Carter said.

He also declined comment on published statements by state Sen. Floyd Hudgins, who said the president's brother drank vodka frequently on their 1978 trip to Libya and boasted to him and other business associates about his influence there.

Billy fended off questions as well about the effects of his dealings on his brother's re-election chances. But he defended his contacts with the Libyans, saying he first traveled to the country in 1978 "because I had never been there before. I had good intentions. It was a good trip and I enjoyed it."